

EXECUTIVE SECRETARIAT
ROUTING SLIP

TO:	ACTION	INFO	DATE	INITIAL
1 DCI				
2 DDCI				
3 EXDIR				
4 D/ICS				
5 DDI		✓		
6 DDA				
7 DDO				
8 DDS&T				
9 Chm/NIC				
10 GC				
11 IG				
12 Compt				
13 D/Pers				
14 D/OLL				
15 D/PAO				
16 SA/IA				
17 AO/DCI				
18 C/IPD/OIS		✓		
19 NIO/ECON		✓		
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SUSPENSE

Date

Remarks

JS
Executive Secretary
8/29/84

Date

3637 (10-81)



OFFICE OF THE SECRETARY OF THE TREASURY

WASHINGTON, D.C. 20220

Executive Registry

84-6101

August 28, 1984

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(With Confidential Attachment)

MEMORANDUM FOR OVP
STATE
DEFENSE
AGRICULTURE
COMMERCE
OMB
CIA
USTR
OPD
NSC
CEA
FED
AID

- MR. G. PHILIP HUGHES
- MR. CHARLES HILL
- COL. JOHN STANFORD
- MR. RAYMOND LETT
- MRS. HELEN ROBBINS
- MR. ALTON G. KEEL
[redacted]
- MR. DENNIS WHITFIELD
- MR. EUGENE MC ALLISTER
- MR. ROBERT KIMMITT
- MR. WILLIAM A. NISKANEN
- MR. EDWIN M. TRUMAN
- MR. MARK L. EDELMAN

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Subject Interagency Group on International Economic
Policy (IG-IEP)

Attached are the minutes of the IG-IEP meeting held on
August 21, 1984.

Edward J. Steury

Christopher Hicks
Executive Secretary and
Executive Assistant to the Secretary

Attachment

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(With Confidential Attachment)

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EXEC
REG

B-203A

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Summary minutes of the IG - International Debt
(meeting on August 21, 1984 at the Treasury Department)

1. These minutes are organized by discussion topic, summarize agency viewpoints and indicate, where relevant, any decisions taken.

2. Purpose and mode of functioning of the group.

Treasury (Mulford) opened the meeting by inviting a general discussion of the group's purpose and mode of functioning. From Treasury's point of view the objective was to form a senior group of officials who would consider issues that arise from the international debt situation. He wanted to be sure that other agencies understood the debt strategy and be aware of their concerns. The group ought to avoid operational questions which can be handled elsewhere and technical questions which could be dealt with by the staffs. He proposed that, in the future, discussion papers would be prepared by Ed Gordon based in part on contributions from interested agencies. Gordon headed a new office in Treasury that was studying various debt questions but would not be involved in operational issues. Commerce (Moore) noted the large number of studies its staff had produced which it believed would prove useful to other agencies. NSC suggested that the information bulletin produced for the Sprinkel group meeting be continued. State (McCormack) and CIA (Ernst), while agreeing that issues should be the main focus felt that particular countries and operational problems would have to be introduced from time to time.

3. Membership

Treasury believes that if the group were to function properly membership should remain at the Assistant Secretary level. We should avoid a situation in which attendance slipped to deputies and then to deputies' deputies. State proposed that each agency name an alternate and that attendance would be limited to the principal or the alternate. There was general agreement. Treasury asked that the agencies inform Ed Gordon or Ron Myers of their alternates.

4. Frequency of Meeting

Treasury suggested that perhaps once every two months might be appropriate but that it would depend on what there was to discuss. Several agencies said that the frequency meetings should depend on the work program. NSC (Robinson) suggested two sessions before the annual IMF/IBRD meetings in late September. No conclusion was reached but Treasury proposed another meeting for late in the Labor Day week.

5. Debt Strategy Paper

Treasury stated that everyone should be clear that there is a debt strategy not an ad hoc approach. No other agency commented except OMB which said that, while fully supporting the strategy, it hoped that Treasury would do "some anticipatory" work. OVP

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raised the issue of the exceptions to the rule which numerous countries were always urging on the Vice-President when they met with him. How could some allowance be made for political/security considerations without damaging the system?

6. Argentina

The discussion about Argentina was very brief. Both State and CIA saw a danger in consulting other governments on a joint approach to Argentina. It could leak and possibly create a public confrontation just prior to or at the annual meeting. Treasury responded that the damage in doing nothing was the increasing alienation of creditors and making a settlement more difficult. The FRB felt that the paper did not show clearly enough the relation between the Argentine, Mexican and Venezuelan negotiations.

7. Topics for future discussion

In the discussion of the work program the following suggestions were made:

Defense -- the relation between debt and trade policy decisions such as these on U.S. import quotas.

AID -- a study of African debt problems where the creditors were largely from the public sector.

State -- an analysis of the more interesting alternatives to the current strategy that had been proposed outside the government.

Treasury -- aspects of MDB lending policies that are relevant to debt policy and IMF conditionality and the release of U.S. bilateral assistance.

State, CIA, NSC -- continued discussion of Argentina
NSC -- preparations for the Fund/Bank annual meeting.

Treasury stressed that the group should concentrate on issues not countries or information distribution. He suggested other agencies send their agenda proposals to Ed Gordon for the next meeting.

The agenda and a list of attendees is attached.

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OFFICE OF THE SECRETARY OF THE TREASURY
WASHINGTON, D.C. 20220

Interagency Group
on
International Economic Policy

Department of the Treasury, Room 4426
Tuesday, August 21, 1984
3:00 p.m.

Treasury	- David C. Mulford
OVP	- G. Philip Hughes
State	- Richard McCormack
Defense	- Col. William Weida
Agriculture	- Richard Goldberg
Commerce	- Ames Moore
CIA	- Maurice Ernst
NSC	- Roger Robinson
CEA	- William Poole
OMB	- Phil DuSault
OPD	- Lehman Li
Federal Reserve	- Edwin Truman
AID	- Richard Derham